

Michigan Tobacco Products Inventory Tax Return

Issued under P.A. 327 of 1993, as amended. Failure to file this return and/or remit the tax due may result in the issuance of a computed intent to assess for tax, penalty and interest in accordance with P.A. 122 of 1941.

IMPORTANT

**Inventory Must Be Taken on
June 30, 2004. Return and Tax Due
Must Be Filed by August 1, 2004.**

Business Name and Address

Federal Employer Identification Number

Effective July 1, 2004, there is an increase in the cigarette and other tobacco products tax rates. Note: This return and payment are due on or before August 1, 2004. Because August 1 is a Sunday, **returns postmarked by August 2, 2004**, will be considered timely. Read all instructions before completing this form.

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If you do not have a cigarette or other tobacco product inventory on June 30, 2004, or if you do not sell cigarettes or other tobacco products, check this box, sign below, and return to the address at the bottom of this form.

CIGARETTES

Inventory of Stamped 20-cigarette Packs

1. Inventory as of June 30, 2004. Number of packs..... 1. _____
2. Multiply the number of packs on line 1 by \$0.75 2. _____

Inventory of Stamped 25-cigarette Packs

3. Inventory as of June 30, 2004. Number of packs..... 3. _____
4. Multiply the number of packs on line 3 by \$0.9375. 4. _____

Inventory of Other Quantities of Stamped Cigarettes (computed on a per cigarette basis.)

5. Inventory as of June 30, 2004. Number of cigarettes 5. _____
6. Multiply the number of cigarettes on line 5 by \$.0375..... 6. _____
7. Add lines 2, 4 and 6. 7. _____

OTHER TOBACCO PRODUCTS (OTP)

8. Total of wholesale prices of all other tobacco products 8. _____
(Retailers, vending machine operators and secondary wholesalers: See Instructions)
9. Multiply line 8 by 12% (0.12) 9. _____
10. Add lines 7 and 9 10. _____

I declare under penalty of perjury that the information in this return is true and complete to the best of my knowledge.

Name and Title (Type or Print)

Telephone Number

Signature

Date

Questions: Call the Tobacco Products Inventory Tax Review Unit in the Discovery and Tax Enforcement Division at (517) 636-4120. Persons who are deaf, hard of hearing or have a speech impairment may call (517) 636-4999 (TTY).

Make checks payable to: "State of Michigan." Write the words "**Tobacco Products Inventory Tax**" on the front of your check.

Mail check and return to: Discovery and Tax Enforcement
Michigan Department of Treasury
P.O. Box 30140
Lansing, MI 48909-7640

Instructions for Form 4182, Michigan Tobacco Products Inventory Tax Return

Recent legislation amends Public Act 327 of 1993, as amended (Tobacco Products Tax Act), requiring every licensed wholesaler, unclassified acquirer, secondary wholesaler, cigarette vending machine operator and retailer to submit an inventory of all cigarettes on hand as of the close of business on June 30, 2004. An inventory must also be submitted on all Other Tobacco Products (OTP) on hand as of the close of business on June 30, 2004. The tax due on your June 30 cigarette inventory is \$.0375 per cigarette, or \$.75 on a 20-cigarette pack, and \$.9375 on a 25-cigarette pack. The tax due on your June 30 OTP is 12% on the wholesale price of the OTP. This form must be filed with the Michigan Department of Treasury and the tax paid by August 1, 2004.

The amount of tax due on your June 30, 2004, inventory is equal to the increase in the cigarette tax rate as follows: from 62.5 mills to 100 mills per cigarette, or from \$1.25 to \$2.00 on a 20-cigarette pack and from \$1.56 to \$2.50 on a 25-cigarette pack. All cigarettes sold as of July 1, 2004, are subject to the new tax rate.

The amount of tax due on your June 30, 2004 inventory is equal to the increase in the OTP tax rate from 20% to 32% of the wholesale price. All OTP sold as of July 1, 2004, are subject to the new tax.

Line 8: Special Instructions for Retailers, Secondary Wholesalers and Vending Machine Operators: The wholesale price of OTP is the established price for which a manufacturer sells tobacco products to a distributor before the allowance of any discount, trade allowance, rebate or other reduction. In the absence of the established price, the wholesale price is the manufacturer's invoice price. Generally, if the manufacturer's established price or the manufacturer's invoice price are not known, the tax would be computed on the price at which the tobacco products were purchased, without allowance of any discount, trade allowance, rebate or other reduction. However, for purposes of this one-time floor tax only, if you do not know or cannot identify the wholesale price of the OTP, you may use 50% of the OTP retail price (excluding sales tax) as the wholesale price.

Attention Vending Machine Operators

Each vending machine operator should take a physical inventory of as many machines as possible with available personnel. If it is impossible to take a physical inventory of each vending machine, the vending machine operator may pay a tobacco products floor tax based on one-half of the **normal fill capacity** for those machines that cannot be physically inventoried on June 30, 2004.

Normal fill capacity means the inventory as indicated on the individual inventory record maintained for each vending machine on location. For example, if the normal fill capacity of a machine is 200 cigars and the wholesale price of each cigar is \$2.50, Treasury will permit the vending machine operator to report a tax based on one-half of 200, or 100 cigars, at 12% of their wholesale price of \$250 (100 cigars x \$2.50) for a tobacco products floor tax due of \$30 (12% x \$250) for that machine.

NOTE: The alternative method outlined above **applies only** to vending machines on location. A physical inventory must be taken of all tobacco products stored elsewhere.

Failure to timely file Form 4182, *Michigan Tobacco Products Inventory Tax Return*, and/or remit the tax due may result in assessment of tax, penalty and interest in accordance with the Revenue Act, Public Act 122 of 1941.

This form is subject to an audit. If you are audited, you will be required to substantiate your inventory records.

For more information, visit Treasury's Web site at www.michigan.gov/tobaccotaxes. You may also call the Tobacco Products Inventory Tax Review Unit in the Discovery and Tax Enforcement Division at (517) 636-4120. Persons who are deaf, hard of hearing or have a speech impairment may call (517) 636-4999 (TTY).

CIGARETTE VIOLATIONS

If you suspect that someone has acquired cigarettes
in violation of the statute, call 1-800-292-2824.